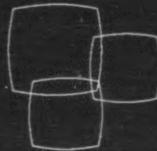




Industry
Canada

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Industry Canada



Report on Plans and Priorities



2012–13 Estimates

Minister of Industry and
Minister of State (Agriculture)

Canada

How to read this report

This *Report on Plans and Priorities* (RPP) presents Industry Canada's 2012–13 plans for making progress toward its strategic outcomes through its program activities. The report contains an introductory message from the Minister, which summarizes the Department's plans for serving Canadians and for contributing to government-wide objectives, followed by the four sections detailed below.

Section I, Departmental Overview, provides a brief overview of the department's raison d'être and structure, summary information on Industry Canada's financial and human resources, and details on the Department's organizational priorities, including their links to the Department's strategic outcomes; contextual information and a risk analysis explaining the effects of internal and external factors on the Department's plans and priorities.

The Federal Sustainable Development Strategy¹ (FSDS) outlines the Government of Canada's commitment to improving the transparency of environmental decision-making by articulating its key strategic environmental goals and targets. The government has created visual identifiers to identify activities which contribute toward achieving the goals and targets of the FSDS, two of which can be found throughout this report:



Theme I:
Addressing Climate Change
and Air Quality



Theme IV:
Shrinking the Environmental Footprint –
Beginning with Government

Section II, Analysis of Program Activities by Strategic Outcome, provides detailed information on Industry Canada's plans at the program activity level organized by strategic outcome, including planned spending and human resources, expected results, performance indicators, targets, planning summaries, and highlights of challenges and risk areas.

Section III, Supplementary Information, includes highlights of Industry Canada's financial position and provides a link to its future-oriented financial statements on the departmental website. This Section also itemizes the Department's supplementary information tables, which are available on the TBS website.

Finally in **Section IV, Other Items of Interest**, provides links to Industry Canada's website and a summary of Industry Canada's plans at the program sub-activity level.

In our continuing effort to provide Canadians with online access to information and services, we are including web links to more information and highlights. These links are numbered and presented as endnotes.

It should be noted that throughout this report, technical background information and methodologies have been excluded to improve the readability. The results for the performance indicators outlined in this report will be detailed in the corresponding Departmental Performance Report (DPR) and will include references to this information.

Industry Canada's financials include a series of programs that are renewed on a three to five year basis depending on the program. As a result, the departmental spending can drop over time when a program is up for renewal, however, this is only a reflection of the approved funding at the time this report was prepared and is not a statement on the future funding of any program. The financial information will be revised on an annual basis and will reflect program renewal and announcements based on the Government of Canada's annual budget.

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Minister's Message

Over the past year, the Canadian economy has proven to be resilient despite continued fiscal uncertainty in other parts of the world. Since our government introduced Canada's Economic Action Plan in 2009 to respond to the global recession, Canada has recovered not only all of the jobs lost during the recession but also all of our economic output.

As Minister of Industry, I am confident that the Industry Portfolio will play a key role in our government's plan to strengthen Canada's knowledge-based economy. Our efforts will focus on promoting innovation and modernizing Canada's marketplace policies, among other areas.

A significant part of the Portfolio's activities will involve developing Canada's digital economy by updating copyright and privacy laws and building a world-class digital infrastructure for next-generation wireless technologies and services. We will also put in place conditions that allow small businesses to grow and create jobs. This will mean reducing red tape, improving access to credit and focusing programs to promote more effective research and development.

Since coming to office, our government has made science and innovation a priority. We will leverage our past investments and continue to develop and recruit world-leading research talent. We will also take measures to encourage the private sector to increase research and development investments and improve commercialization outcomes.

In our government's pursuit to improve the well-being of Canadians, we will continue to work to secure the recovery, eliminate the deficit and invest in the drivers of long-term economic growth. We will also implement our plan to find savings in government expenditures to return to fiscal balance in the medium term.

This year's Report on Plans and Priorities for Industry Canada and its portfolio partners delivers a comprehensive approach to promote and maintain Canada's strong and competitive economy. I look forward to working with my Cabinet and departmental colleagues, as well as with the private sector and other levels of government, to achieve our common goal of creating jobs and growth for all Canadians.



Christian Paradis

Minister of Industry and Minister of State (Agriculture)



Section I: Organizational Overview

Raison d'être

Mission

Industry Canada's mission² is to foster a growing, competitive, knowledge-based Canadian economy.

The Department works with Canadians throughout the economy, and in all parts of the country, to improve conditions for investment, improve Canada's innovation performance, increase Canada's share of global trade and build an efficient and competitive marketplace.

Mandate

Industry Canada's mandate³ is to help make Canadian industry more productive and competitive in the global economy, thus improving the economic and social well-being of Canadians.

The many and varied activities Industry Canada carries out to deliver on its mandate are organized around three interdependent and mutually reinforcing strategic outcomes. Each outcome is linked to a separate key strategy, as outlined below. The key strategies are shown in the adjacent figure.

The Canadian marketplace is efficient and competitive

Advancing the marketplace

Industry Canada fosters competitiveness by developing and administering economic framework policies that promote competition and innovation; support investment and entrepreneurial activity; and instill consumer, investor and business confidence.

Fostering the knowledge-based economy

Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy

Fostering the knowledge-based economy

Industry Canada invests in science and technology to generate knowledge and equip Canadians with the skills and training they need to compete and prosper in the global knowledge-based economy. These investments help ensure that discoveries and breakthroughs happen here in Canada and that Canadians can realize the social and economic benefits.

Wealth creation

Prosperity

Competitiveness

Supporting business

Advancing the marketplace

Canadian businesses and communities are competitive

Supporting business

Industry Canada encourages business innovation and productivity because businesses are the organizations that generate jobs and wealth creation. Promoting economic development in communities encourages the development of skills, ideas and opportunities across the country.

Responsibilities

Industry Canada is the Government of Canada's centre for micro-economic policy expertise. The Department's founding legislation, the *Department of Industry Act*⁴, established the Ministry to foster a growing, competitive and knowledge-based Canadian economy.

Industry Canada is a Department with many entities that have distinct mandates, with program activities that are widely diverse and highly dependent on partnerships. Industry Canada works to improve a broad range of matters related to industry, science and technology (S&T), trade and commerce, consumer affairs, corporations and corporate securities, competition, weights and measures, bankruptcy and insolvency, intellectual property, investment, small business and tourism.

Strategic Outcomes and Program Activity Architecture

This *Report on Plans and Priorities* is aligned with Industry Canada's Management, Resources and Results Structure (MRRS). The MRRS provides a standard basis for reporting to parliamentarians and Canadians on the alignment of resources, program activities and results.

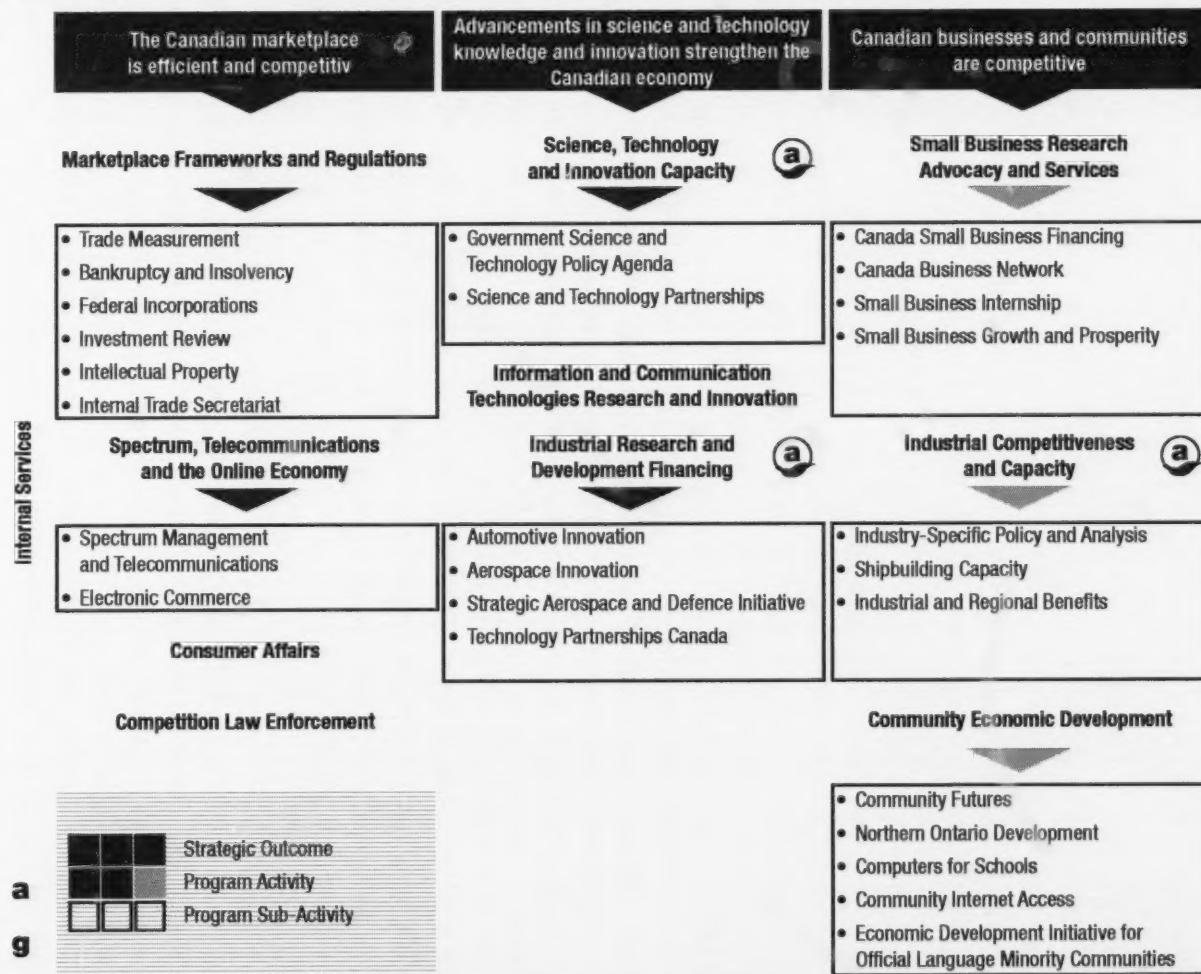
Industry Canada's strategic outcomes are long-term, enduring benefits to the lives of Canadians that reflect our mandate and vision, and are linked to Government of Canada priorities and expected results.

Industry Canada's Program Activity Architecture (PAA) is an inventory of all of its programs. The programs are depicted in a logical and hierarchical relationship to each other and to the strategic outcome to which they contribute. The PAA also provides a framework through which to clearly link financial and non-financial resources to each program activity.

2011–12 and 2012–13 PAA crosswalk

The PAA structure for 2012–13 remains unchanged from 2011–12. A number of program titles and descriptions were modified to better reflect how they contribute to the strategic outcomes and allow Industry Canada to report its performance more clearly.

Industry Canada's 2012–13 Program Activity Architecture (approved by Treasury Board)



Organizational Priorities

Priority 1: Advancing the marketplace	Type: Ongoing	Strategic Outcome(s) and/or Program Activity(ies): The Canadian marketplace is efficient and competitive
Why is this a priority?		
<ul style="list-style-type: none"> Ensures that Canadian businesses can respond to the ever-changing demands and needs of the modern marketplace while ensuring continued consumer and investor confidence. Helps stimulate economic growth. 		
Plans for meeting the priority		
<ul style="list-style-type: none"> Continuing to implement measures in support of the Digital Economy Strategy⁵ (DES) including spectrum management and the adoption of Information Communications Technology (ICT). Implement the <i>Fairness at the Pumps Act</i>,⁶ along with amendments to the <i>Weights and Measures Regulations</i>⁷ to protect Canadians from financial loss from inaccurate measurement. Support the passage of the <i>Copyright Modernization Act</i>⁸ to make Canada's copyright laws forward-looking, flexible and in-line with international standards. Promote consumer confidence in electronic commerce, by providing consumers, organizations and businesses with information and tools related to Canada's anti-spam legislation. Continue to achieve results for Canadians through active, targeted and principled competition law enforcement. 		
Priority 2: Fostering the knowledge-based economy	Type: Ongoing	Strategic Outcome(s) and/or Program Activity(ies): Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy
Why is this a priority?		
<ul style="list-style-type: none"> Ensures that Canada is competitive internationally, which will lead to sustained economic growth. Helps businesses excel in innovation and scientific development and creates knowledge-intensive jobs with high wages, which contributes to Canada's productivity. 		
Plans for meeting the priority		
<ul style="list-style-type: none"> Develop and implement measures in response to the Expert Panel's Review of Federal Support to Research and Development.⁹ Support the review of aerospace and space policies and programs. 		
Priority 3: Supporting business	Type: Ongoing	Strategic Outcome(s) and/or Program Activity(ies): Canadian businesses and communities are competitive
Why is this a priority?		
<ul style="list-style-type: none"> Supports small and medium-sized enterprise growth, which contributes to a higher standard of living for Canadians. Supports community economic development and more dynamic regional economies, while encouraging entrepreneurship. 		
Plans for meeting the priority		
<ul style="list-style-type: none"> Implement changes that will improve and modernize the Canada Small Business Financing Program.¹⁰ Implement the Federal Tourism Strategy.¹¹ 		
Priority 4: Ensuring sound management	Type: Ongoing	Strategic Outcome(s) and/or Program Activity(ies): All strategic outcomes
Why is this a priority?		
<ul style="list-style-type: none"> Management excellence is central to Industry Canada's ability to meet its priorities within the current fiscal environment. 		
Plans for meeting the priority		
<ul style="list-style-type: none"> Implement management decisions responding to government constraint measures, including absorbing collective bargaining increases. Continue to deliver its robust stewardship and management practices with a particular focus on effectively managing the Department's workforce. 		

Risk Analysis

Industry Canada has implemented a tailored integrated risk management approach that proactively addresses the key risks that may impede the Department's overall ability to deliver on its mandate. This approach meets the Department's needs for sound risk management and allows it to monitor the mitigation strategies and action plans for its corporate risks. Industry Canada's 2012–13 Corporate Risk Profile includes nine corporate risks. These risks are identified by Program Activity and grouped into two risk categories: Reputational and Stakeholder Expectations and Organizational Adaptability. Risks are also reviewed as part of the Quarterly Financial Report.

Additional risks were identified and are monitored at the program level. These additional risks are detailed in Section II of this report in the highlights of challenges and risks section under each program activity.

Industry Canada will continue to update its Corporate Risk Profile as well as identify, monitor and mitigate corporate risks that may affect the Department's ability to achieve its expected results and deliver its mandate.

Operating Environment

Canada's economy has been resilient since the recession. The unemployment rate has been declining, as economic growth and job creation are being buoyed by strong commodity prices, more sustained private sector demand, increased business investment, and timely investments under Canada's Economic Action Plan. While Canada's medium-term growth prospects are healthy, there is uncertainty about the trajectory of the broader global economic recovery.

The Canadian economy faces several risks. The strong Canadian dollar could constrain the growth prospects of non-resource-related industries and high household debt could hold back private consumption. The volatility of the markets will continue to create challenges in the merger context, in particular, where there may be a rise in mega-mergers and hostile merger transactions. Global risks include weak domestic demand in most advanced economies, particularly the United States, global trade imbalances, uncertainty in European sovereign debt markets, and inflation in emerging economies.

Over the medium to long term, the Canadian economy will face pressures from an aging population and the changing global economic environment. These will challenge the Canadian economy to sustain strong growth in Canadian living standards, unless Canada's productivity performance strengthens significantly.

In addition, Canadian industries will be challenged to respond to intensifying global competition, rising demand for resource commodities, and growing environmental considerations. Key strategies will likely include expanding their global reach, integrating into global supply chains, and adopting cutting-edge new technologies.

For Industry Canada, this means a continued pressure to support Canadian businesses and industries, including small and medium-sized enterprises (SME), by helping them understand, exploit and adapt to a changing economic landscape; by promoting skills development and sector-specific knowledge growth; by fostering business innovation, competitiveness and productivity; and by supporting a fair and competitive marketplace upon which Canadian businesses can grow and expand.

The Department's business imperatives will be driven by two main objectives: preserving Canada's economic health in light of the continued instability in global economic conditions; and helping businesses and communities enhance their productivity and innovation so Canada is well positioned to deal with the impact of an aging population and changing global economy.

Internal Environment

To restore fiscal balance, the government has implemented a number of measures to improve efficiency while lowering the rate of growth in the size and operations of the public service, including the absorption of collective bargaining agreements and continued controls on spending for travel, conferences and hospitality. Over the next five years, total employment at Industry Canada is expected to decline. The department will continue its effective management practices to ensure the sound stewardship of resources and that it retains the people, knowledge and skills necessary to deliver on its mandate.

Planning Summary

Industry Canada's financial and human resources

The following two tables present Industry Canada's financial resources and human resources, expressed as full-time equivalents (FTE), for the next three fiscal years.

Planning Summary Table

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
1,445.4	1,131.2	1,004.6	5,395	5,305	5,293

Strategic Outcome 1

The Canadian marketplace is efficient and competitive

Performance Indicators	Targets
Canada's rank among G7 countries in "Integrated Product Market Regulation"	3rd
Canada's rank among G7 countries in "starting a business" indicator	1st
Canada's rank among G7 countries for "competition legislation is efficient in preventing unfair competition"	2nd

Program Activity	Forecast Spending 2011–12	Planned Spending (\$ millions)*			Alignment to Government of Canada Outcomes
		2012–13	2013–14	2014–15	
Marketplace Frameworks and Regulations	63.0	49.6	45.6	49.0	Economic Affairs: A Fair and Secure Marketplace
Spectrum, Telecommunications and the Online Economy	90.2	88.7	82.5	81.5	Economic Affairs: A Fair and Secure Marketplace
Consumer Affairs	4.7	4.5	4.5	4.5	Economic Affairs: A Fair and Secure Marketplace
Competition Law Enforcement	48.4	47.1	47.1	47.1	Economic Affairs: A Fair and Secure Marketplace
Total Planned Spending	206.4	189.9	179.8	182.2	

* minor differences due to rounding

Spending plans under this strategic outcome are generally stable. The main variable is in the Marketplace Frameworks and Regulations program activity, and reflects changes in spending and revenue plans for the Canadian Intellectual Property Office in response to expected volume of patent applications. For details, please see the explanations by program activity under Section II.

Strategic Outcome 2**Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy**

Performance Indicators	Targets
Canada's rank among G7 countries in public performed research and development as a percentage of gross domestic product	1st
Canada's rank among G7 countries in business performed research and development as a percentage of gross domestic product	6th
Canada's labour productivity (real gross domestic product per hour worked)	\$45.15

Program Activity	Forecast Spending 2011–12	Planned Spending (\$ millions)*			Alignment to Government of Canada Outcomes
		2012–13	2013–14	2014–15	
Science, Technology and Innovation Capacity	503.8	350.6	239.8	156.1	Economic Affairs: An Innovative and Knowledge-based Economy
Information and Communication Technologies Research and Innovation	41.7	36.6	36.7	36.6	Economic Affairs: An Innovative and Knowledge-based Economy
Industrial Research and Development Financing	420.7	483.0	327.5	282.4	Economic Affairs: An Innovative and Knowledge-based Economy
Total Planned Spending	966.2	870.3	603.9	475.1	

* minor differences due to rounding

Spending plans for this strategic outcome will decline significantly from 2011–12 levels, after the 2011–12 completion of the Knowledge Infrastructure Program under the Science, Technology and Innovation Capacity program activity and the termination of the associated budget of \$246 million. Planned spending in 2012–13 remains relatively high compared to the following two years due to the overlap in old and new agreements for the Canada Foundation for Innovation (CFI) and Genome in that year. Decreases in following years reflect the ending of older agreements for the CFI and Genome. For details, please see explanations by program activity under Section II.

Strategic Outcome 3**Canadian businesses and communities are competitive**

Performance Indicators	Targets
Canada's rank among G7 countries for the "Small and medium-size enterprises are efficient by international standards" criterion	3rd
Canada's rank among G7 countries for the "Large corporations are efficient by international standards" criterion	4th
The difference between the unemployment rate of Northern Ontario compared to the unemployment rate of Canada	1.16%

Program Activity	Forecast Spending 2011–12	Planned Spending (\$ millions)*			Alignment to Government of Canada Outcomes
		2012–13	2013–14	2014–15	
Small Business Research, Advocacy and Services	121.4	136.0	128.5	129.8	Economic Affairs: Strong Economic Growth
Industrial Competitiveness and Capacity	48.2	53.1	37.5	37.5	Economic Affairs: Strong Economic Growth
Community Economic Development	168.4	73.0	67.5	67.2	Economic Affairs: Strong Economic Growth
Total Planned Spending	337.9	262.2	233.5	234.5	

* minor differences due to rounding

Total planned spending in this strategic outcome decreases from 2011–12 levels largely due to the completion of the infrastructure phase of Broadband Canada (\$65 million) and the changes in funding for the Community Access Program which currently ends in March 2012 (\$23.7 million) under the Community Economic Development program activity. In addition, planned spending for 2012–13 includes \$12 million for the Structured Financing Facility Program, under Industrial Competitiveness and Capacity program, which currently ends in March 2013. For details, please see the explanations by program activity under Section II.

Program activity supporting all strategic outcomes

Program Activity	Forecast Spending 2011–12	Planned Spending (\$ millions)		
		2012–13	2013–14	2014–15
Internal Services	162.1	123.1	114.0	112.9

Forecast spending for Internal Services in 2011–12 includes \$21 million deferred funding from the previous year. In addition, the creation of Shared Services Canada, established by Order in Council on August 4, 2011 to consolidate existing resources from across government resulted in a transfer of \$23 million for IT infrastructure along with associated internal services. Finally, under the Department's funding model, \$66 million or approximately 15 percent of its core budget has come from revenues generated by repayments received under former contribution programs. These revenues are declining due to decreasing sales of the products that were developed under these programs. This results in a projected decrease of \$13 million in 2013–14.

Contribution to the Federal Sustainable Development Strategy (FSDS)

The Federal Sustainable Development Strategy¹² (FSDS) outlines the Government of Canada's commitment to improving the transparency of environmental decision-making by articulating its key strategic environmental goals and targets. Industry Canada ensures that consideration of these outcomes is an integral part of its decision-making processes. In particular, through the federal Strategic Environmental Assessment (SEA) process, any new policy, plan, or program undergoes an SEA preliminary scan analysis of its impact on attaining the FSDS goals and targets. The results of full SEAs are made public when an initiative is announced, demonstrating the department's commitment to achieving the FSDS goals and targets.

The Department recognizes the interconnectedness of the economic, social and environmental policy dimensions. As such, it supports further integration of sustainable development principles into departmental policies, programs and operations as a way to improve efficiency, decrease costs and enhance competitiveness of Canadian industry. In the coming fiscal year (2012–13), Industry Canada will work to align its sustainable development vision with the new FSDS framework, and, in collaboration with stakeholders and other federal departments, to integrate economic considerations into this framework. The Department will also continue to implement its commitments under two of the four FSDS themes. The two themes are: Theme I: Addressing Climate Change and Air Quality and Theme IV: Shrinking the Environmental Footprint—Beginning with Government as denoted by the visual identifiers below:



Theme I:
Addressing Climate Change
and Air Quality



Theme IV:
Shrinking the Environmental Footprint –
Beginning with Government

These contributions are components of the following Program Activities and are further explained in Section II:

- (a) Science, Technology and Innovation Capacity
- (a) Industrial Research and Development Financing
- (a) Industrial Competitiveness and Capacity
- (a) (g) Internal services

For additional details on Industry Canada's activities to support sustainable development please see Section II of this RPP and the Industry Canada website.¹³ For complete details please see the Federal Sustainable Development Strategy website.¹⁴

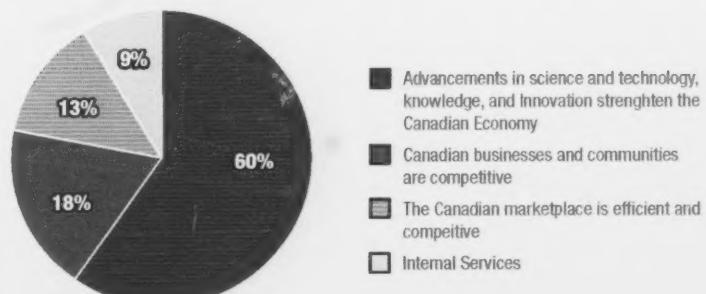
Expenditure Profile

Industry Canada's total planned spending for 2012–13 is \$1445.4 million. The majority of planned spending is directed at Industry Canada's three strategic outcomes, with a cost-effective 9% allocated to Internal Services.

Industry Canada will continue to implement strategies to ensure efficient use of its operating budget to deliver benefits to Canadians.

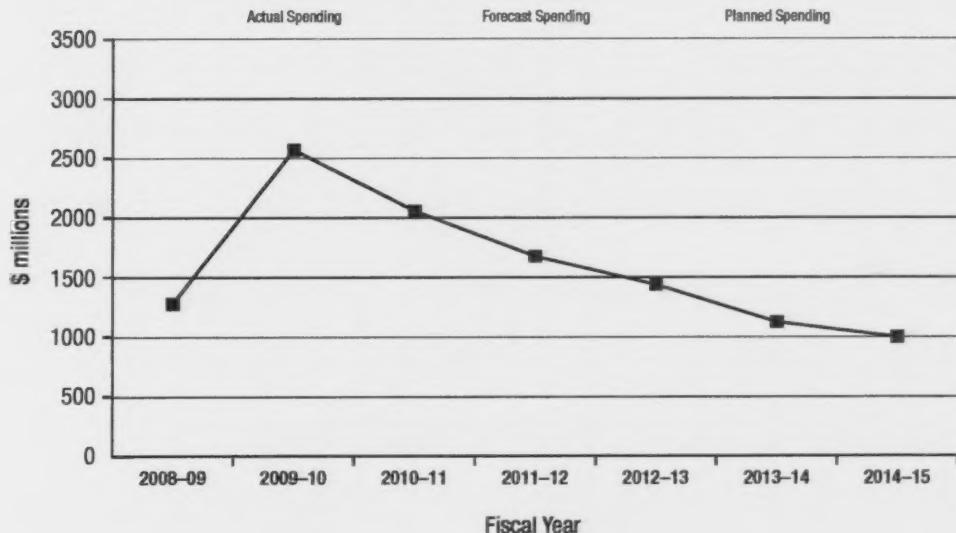
Sound stewardship and effective management practices in planning, setting priorities and allocating resources will allow Industry Canada to continue to deliver its mandate, with a reduced operating budget, in the coming years and adapt to evolving government priorities.

Breakdown of 2012–13 Planned Spending by Strategic Objective



Departmental Spending Trend (\$ millions)

The figure below illustrates Industry Canada's spending trend from 2008–09 to 2014–15.



The increase in spending in 2009–10 and 2010–11 was primarily related to Canada's Economic Action Plan. The decrease in planned spending in 2013–14 is due to the sunsetting of programs, as well as decreases in the current funding for the Aerospace Innovation Program and the Canada Foundation for Innovation.

Estimates by Vote

For information on Industry Canada's appropriations, please see the 2012–13 Main Estimates publication. An electronic version of the Main Estimates is available at <http://www.tbs-sct.gc.ca/est-pre/20122013/me-bpd/info/info-eng.asp>.

Section II: Analysis of Program Activities by Strategic Outcome

Strategic Outcome 1: The Canadian marketplace is efficient and competitive

Canada's marketplace requires effective frameworks and regulations to ensure consumer and business confidence, and to ensure that Canadian firms have every opportunity to innovate and succeed within the current market conditions.

Industry Canada strives to achieve an efficient and competitive marketplace by developing and implementing policies necessary for the functioning of a market. These policies help the Department in its role of promoting innovation, competition and productivity, and are being accomplished through the following program activities:

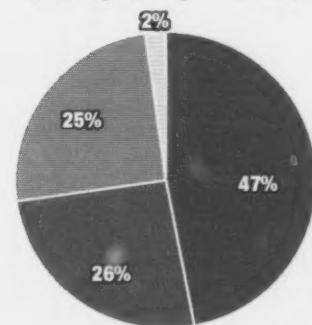
- Marketplace Frameworks and Regulations;
- Spectrum, Telecommunications and the Online Economy;
- Consumer Affairs; and
- Competition Law Enforcement.

The following key activities will support this strategic outcome:

- Develop a forward plan for policy work related to the protection of the online marketplace, including planning for identity management, cross-border data flows and electronic payments;
- Support the passage of the *Copyright Modernization Act* through Parliament to bring Canada's *Copyright Act* in line with international standards and the digital age;
- Securing Canada's interests in treaty revisions to both the International Radio Regulations and the International Telecommunication Regulations to protect Canadian interests in access to spectrum and satellite orbit resources and telecommunication services;
- Develop and implement rules for the upcoming auctions of the 700 and 2500 MHz frequency bands, which will provide access to new mobile technologies and services in the Canadian marketplace;
- Continuing to implement measures in support of the Digital Economy Strategy (DES)¹⁵ to accelerate adoption of digital technologies, and foster a globally competitive information and communications technology (ICT) sector based on a modern legislative framework, a robust digital infrastructure and a digitally skilled workforce;
- Apply competition laws in a targeted and transparent way that keeps pace with the changing marketplace;
- Conduct audit/oversight of private sector organizations performing inspections on Measurement Canada's behalf, to ensure they meet established performance criteria and perform inspections correctly.

By focusing on these priorities Industry Canada will help protect Canadian businesses and consumers, and improve the Canadian business environment.

Breakdown of 2012–13 Planned Spending by Program Activity



- Spectrum, Telecommunications and the Online Economy
- Marketplace Frameworks and Regulations
- Competition Law Enforcement
- Consumer Affairs

Year	Financial Resources (\$ millions) ¹⁶	Human Resources (FTEs) ¹⁷
2012–13	189.9	2,962
2013–14	179.8	2,966
2014–15	182.2	2,975

¹⁶ For detailed variance explanations please see the spending by Program Activity that follows.

¹⁷ Full time equivalents.

Program Activity: Marketplace Frameworks and Regulations

Program Description

Industry Canada is responsible for the oversight and regulation of a number of aspects of the Canadian marketplace, including bankruptcy, foreign direct investment, federal incorporation, intellectual property and trade measurement. To deliver on its mandate, Industry Canada, through this program, administers framework statutes, regulations, policies and procedures; develops, sets and assures compliance with standards; performs reviews; and holds meetings with a variety of stakeholders. Overall, the program benefits Canadians by ensuring the integrity of the marketplace.

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
49.6	45.6	49.0	1,836	1,856	1,866

The changes in planned spending are related to the Canadian Intellectual Property Office (CIPO), which is fully funded by user fees to meet its operating expenditures, and reflect higher IT investments and salary costs in 2014–15. Annual surpluses/deficits vary in accordance with volumes of patent applications.

Expected Result	Performance Indicator	Target
Regulatory time frames and service standards are met	Average percentage of regulatory timeframes or service standards met	80%
Canadian marketplace frameworks and regulations are effective by international standards	Canada's rank among G7 nations in effectiveness of marketplace frameworks and regulations for starting a business, impact of rules on foreign investment, and intellectual property	1st

Planning Highlights

Industry Canada ensures the integrity of the Canadian marketplace by providing oversight and regulation in the areas of measurement, federal incorporations, bankruptcy and insolvency, investment review and intellectual property of the Canadian Marketplace. In 2012–13 Industry Canada will implement the *Fairness at the Pumps Act*,¹⁶ which will include amendments to *Weights and Measures Regulations*¹⁷ to establish mandatory measuring device inspection frequencies in eight initial trade sectors (retail petroleum, retail food, dairy, downstream petroleum, forestry, fishing, mining, and grain and field crops). The Department will also amend the *Electricity and Gas Inspection Regulations* and *Weights and Measures Regulations* to introduce administrative monetary penalties. These changes will contribute to fair and accurate measurement, and will align Canada with international approaches.

Also, in 2012–13 the Department will begin to develop online services for federal not-for-profit corporations to allow them to incorporate online, file annual returns and update their corporate information, thus ensuring administrative efficiencies for the not-for-profit sector.

In an effort to assist new business register their company name, Industry Canada will also provide an improved Newly Updated Automated Name Search¹⁸ (NUANS) tool by building a common interface for self-serve clients. Additional effort will focus on increasing the adoption of the service, with the aim of rendering the NUANS accepted Canada-wide.

Finally, the Department will carry out research and analysis on the Canadian intellectual property framework and benchmark it against international best practices.

By providing oversight and regulation in these areas and by focusing on these key priorities Industry Canada will take positive steps to ensure the integrity of the Canadian marketplace.

Highlights of Challenges and Risk Areas

Due to the complexity of IT infrastructure for IP administration, CIPO faces challenges in the modernization of its IT infrastructure to meet customer needs. CIPO has taken measures to build internal capacity by identifying key skills gaps in maintaining current legacy systems to deliver efficient services and accessible knowledge.

Program Activity: Spectrum, Telecommunications and the Online Economy

Program Description

This program enables Canadians to benefit from a globally competitive digital economy that drives innovation, productivity and future prosperity. This includes developing and administering domestic regulations, procedures and standards that govern Canada's radiocommunication and telecommunications industries. The program sets legislative and policy frameworks to encourage competition and private sector investment in world-class digital infrastructure, confidence in the online marketplace, and greater adoption of digital technologies by business. The program maximizes the public benefits of spectrum by managing it efficiently and effectively, and promotes global telecommunications through the development of international treaties and agreements. International online trade and commerce is facilitated through participation in international bilateral and multilateral forums.

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
88.7	82.5	81.5	673	657	657

The reductions in spending are partially due to restructuring of the program as a result of the Strategic Review announced in Budget 2011. More efficient practices for managing spectrum were identified in that budget and these practices will be applied across the country generating savings of over \$3 million by 2013-14.

Expected Result	Performance Indicators	Targets
Canada's radiocommunication and telecommunications infrastructure and online economy are governed by an effective policy and regulatory framework.	Percentage of Canadian radiocommunication and telecommunications objectives/proposals represented in international agreements, standards and negotiations at international forums	90%
	Percentage of Canadians buying and selling online	15% (selling) 43% (buying) (Buying = all Canadians aged 16 and over) (Selling = All internet users at home)

Planning Highlights

In order to ensure that Canada's radiocommunication and telecommunication infrastructure and online economy are governed by an effective policy and regulatory framework, in 2012-13 the Department will continue to develop policies, technical standards and regulations in consultation with industry. The Department will also negotiate radio frequency sharing arrangements with the United States and Mutual Recognition Agreements (MRAs) with other trading partners to facilitate the flow of telecommunication products (imports and exports).

Also, in 2012-13 Industry Canada will begin replacing and modernizing the legacy Spectrum Management IT System. The Spectrum Application Modernization—Commercial Software Implementation project will allow the Department to modernize its approach for the management of the telecommunication spectrum. Additionally, the Department will contribute to the cyber security of telecommunication infrastructure by continuing to collaborate with the relevant industries to increase security, contributing to development of international standards in alignment with Canadian interests, and investigating mitigation and prevention techniques and tools. The Department will also conduct market surveillance activities to ensure that telecommunication equipment entering the Canadian marketplace meets Industry Canada's standards.

Furthermore, Industry Canada will be negotiating treaty revisions to the International Radio Regulations and the International Telecommunication Regulations. Preparations are underway in consultation with private industry and other government departments with one of the key objectives of securing and protecting Canada's interest in spectrum and satellite orbit resources and international telecommunication services.

Finally, Industry Canada will continue to implement measures in support of the Digital Economy Strategy¹⁹ to accelerate adoption of digital technologies, promote trust and confidence in the online marketplace and foster a globally competitive ICT sector based on a modern legislative framework, a robust digital infrastructure and a digitally skilled workforce.

By achieving these objectives, Industry Canada will enable Canadians to benefit from a globally competitive digital economy that drives innovation, productivity and future prosperity.

Highlights of Challenges and Risk Areas

Meeting the increased wireless spectrum needs of Canadians due to growth in mobile services presents a major challenge as a lack of spectrum access would result in Canada falling behind in the new mobile Internet economy. In response, Industry Canada will develop and publish a multi-year spectrum implement plan and review the resource requirements to aid private sector planning.

Program Activity: Consumer Affairs

Program Description

This program gives consumers a voice in the development of government policies and enables them to be effective marketplace participants. It is part of the Department's consumer affairs role under the *Department of Industry Act*, which directs the Minister to promote the interests and protection of consumers. Through research and analysis on marketplace issues, the program supports both policy development and the intergovernmental harmonization of consumer protection rules and measures. It contributes to effective consumer protection through collaboration with provincial and territorial consumer protection agencies under Chapter 8 of the Agreement on Internal Trade and with other governments through the Organisation for Economic Co-operation and Development's Consumer Policy Committee. Industry Canada, through this program, identifies important consumer issues and develops and disseminates consumer information and awareness tools. These consumer protection information products and tools are developed either by the program itself or in collaboration with other consumer protection agencies. Finally, the program provides financial support to not-for-profit consumer and voluntary organizations through the Contributions Program for Non-profit Consumer and Voluntary Organizations. The purpose of this support is to encourage the organizations to reach financial self-sufficiency and to assist them in providing meaningful, evidence-based input to public policy in the consumer interest.

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
4.5	4.5	4.5	22	22	22

Expected Result	Performance Indicators	Targets
Policymakers are aware of consumer issues in the Canadian marketplace	Number of instances per year where consumer research and/or analysis contributes to consumer policy discussions	3
	Number of instances per year where research and analysis performed by consumer organizations supported by the OCA's Contributions Program for Non-Profit Consumer and Voluntary Organizations contribute to policy discussions or media coverage	12
Citizens are aware of consumer issues in the Canadian marketplace	Number of visitors accessing information products on websites managed by the Office of Consumer Affairs (OCA)	1.65 million

Planning Highlights

Industry Canada, through the Office of Consumer Affairs (OCA), will support consumers by providing tools to help them make better marketplace decisions, and by promoting the consumer interest in policy making.

In 2012–13, Industry Canada will build awareness of Canada's anti-spam legislation²⁰ (CASL) with tools for businesses and consumers, including information on what consumers can do to protect themselves from spam and other online threats. To promote better understanding of consumer issues, up to three Consumer Trends Updates²¹ will be published touching on emerging issues.

With the federal-provincial-territorial Consumer Measures Committee,²² Industry Canada will examine best practices in achieving compliance with consumer protection laws, and provide up-to-date joint consumer information, such as the *Canadian Consumer Handbook*.

Industry Canada will address consumer issues in cross-border transactions through participation in the OECD's review of the *Guidelines for Consumer Protection in the Context of Electronic Commerce*, the development of an International Organization for Standardization (ISO) standard for business to consumer electronic commerce, and related projects on online dispute resolution and redress.

By pursuing these priorities, the OCA promotes the interests and protection of Canadian consumers in the Canadian marketplace.

Highlights of Challenges and Risk Areas

The OCA, through the Contributions Program for Non-Profit Consumer and Voluntary Organizations,²³ leverages the efforts of a number of non-profit consumer and voluntary organizations to strengthen the consumer's role in the marketplace. These organizations may face challenges that could impact their ability to deliver their projects' expected outcomes. In response, the OCA will increase its due diligence to ensure organizations have sufficient capacity prior to finalizing funding decisions.

Program Activity: Competition Law Enforcement

Program Description

The objectives of this program are to maintain and encourage competition to achieve a number of objectives, including promoting the efficiency and adaptability of the Canadian economy and protecting competitive markets. This program also promotes equitable opportunities for businesses to participate in the Canadian economy to provide consumers with competitive prices and product choices. The Competition Bureau, an independent law enforcement agency, is responsible for the administration and enforcement of the *Competition Act*, the *Consumer Packaging and Labelling Act*, the *Textile Labelling Act* and the *Precious Metals Marking Act*. It seeks to ensure that businesses and individuals conform with the legislation under its jurisdiction through negotiated settlements, consent agreements and, where appropriate, prosecuting anti-competitive conduct through litigated proceedings. It protects competitive markets by detecting, disrupting and deterring anti-competitive conduct. The Competition Bureau encourages reliance on market forces. It provides advice to government legislators and policy-makers and intervenes and/or makes representations before federal and provincial boards, commissions and tribunals to encourage competition as a means of achieving policy or regulatory objectives.

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
47.1	47.1	47.1	431	431	430
Expected Results		Performance Indicators		Targets	
Reduction in anti-competitive behaviour		Estimated dollar savings per annum to consumers from Bureau actions that stop anti-competitive activity		\$515 million	

Planning Highlights

The Competition Bureau (the Bureau), is committed to promoting the efficiency and adaptability of the Canadian economy and protecting competitive markets. In 2012–13 the Bureau will continue to protect and promote the interests of Canadians through active, targeted and principled enforcement including litigation, where necessary, and, particularly in the areas of domestic bid-rigging and international cartels, abuse of dominance, and timely and effective merger reviews.

Additionally, the Bureau will continue efforts directed at reducing false or misleading advertising in the marketplace and will use the new tools provided under Canada's anti-spam legislation,²⁴ once the new law enters into force, to address false or misleading electronic representations directed at Canadian consumers and businesses.

To keep pace with a changing marketplace, the Bureau will continue to use and support the new tools provided by the amendments, including those regarding merger review, conspiracy and competitor collaborations, administrative monetary penalties for abuse of dominance, and stronger penalties for false or misleading representations.

The Bureau will also continue to lead Canada's participation in a number of international competition forums,²⁵ establishing and enhancing networks and agreements among competition authorities, to facilitate cooperation and coordination of enforcement efforts.

By focusing on these priorities, the Bureau ensures that Canadian businesses and consumers prosper in a competitive marketplace.

Highlights of Challenges and Risk Areas

When CASL comes into force, the new enforcement provisions will provide the Bureau with new powers to address false or misleading electronic representations affecting individuals, businesses and organizations. The Bureau will work to deliver effectively in this new role and communicate with stakeholders to ensure they have realistic expectations regarding what the Bureau can accomplish with the new powers.

Strategic Outcome 2: Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy

Strategic science and technology investments are key drivers in rebuilding the post-recession Canadian economy. With the current global and financial context, Industry Canada is placing increased focus on firm-level analysis to foster intelligence, knowledge and innovation of new technologies.

Industry Canada continues to advance leading-edge research and development, and provides value-added knowledge and expertise to foster an environment conducive to innovation, scientific excellence and industrial competitiveness. This is accomplished through the following program activities:

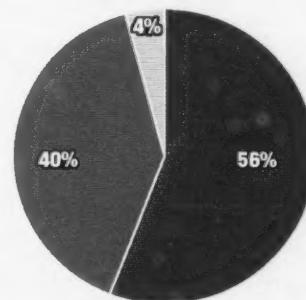
- Science, Technology and Innovation Capacity;
- Information and Communication Technologies Research and Innovation; and
- Industrial Research and Development Financing.

The following are key activities that will support the achievement of this strategic outcome:

- Encourage collaborative partnerships in research and development among research institutes, universities, colleges and the private sector;
- Develop and implement measures in response to the Expert Panel's Review of Federal Support to Research and Development²⁶;
- Enhance the Strategic Aerospace and Defence Initiative²⁷ (SADI) collaboration with academia;
- Assess, research and develop technologies to address communications needs in the areas of defence, public safety and security.

Focusing on these priorities will ensure advancements in science and technology, knowledge and innovation; and will help strengthen the Canadian economy.

Breakdown of 2012–13 Planned Spending by Program Activity



- Industrial Research and Development Financing
- Science, Technology and Innovation Capacity
- Information and Communication Technologies Research and Innovation

Year	Financial Resources (\$ millions)*	Human Resources (FTEs)**
2012–13	870.3	549
2013–14	603.9	510
2014–15	475.1	510

* For detailed variance explanations please see the spending by Program Activity that follows.
** Full time equivalents.

Program Activity: Science, Technology and Innovation Capacity

Program Description

This program supports the Minister of Industry and the Minister of State (Science and Technology) in their science, technology and innovation responsibilities. It sets the strategic direction for the policies and programs that support and stimulate research, development and innovation in Canada. In collaboration with portfolio partners, other government departments and external stakeholders from the private and public sectors, the program fosters an environment that is conducive to innovation and promotes scientific excellence.

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
350.6	239.8	156.1	49	49	49

The relatively higher planned spending in 2012–13 reflects an overlap in funding old and new agreements for the Canada Foundation for Innovation (CFI) and Genome Canada. While the projected funding reflects those organizations' expected reduced cash flow requirements under existing agreements, future allocations, once reflected in new funding agreements, would add to the resource profiles.

Expected Results	Performance Indicators	Targets
Canada's science and technology capacity is developed	Canada's rank among G7 countries in Higher Education Expenditure on R&D (HERD) as a percentage of gross domestic product	1st
Researchers are attracted to Canada, and retained	Total full-time equivalent researchers in Canada	140,000
	Total full-time equivalent researchers in Canada per thousand total employment	8.3

Planning Highlights

Industry Canada is committed to ongoing development of the next generation S&T and innovation policy, with a focus on fostering business innovation, including by promoting academic and private-sector collaboration. In 2012–13 the Department will further advance horizontal coordination on S&T policies, programs, activities and investments within the federal government, by collaborating with other science-based departments and agencies on specific issues, and co-leading interdepartmental forums. Industry Canada will follow up on recommendations provided by the Expert Panel report on Federal Support for Research and Development,²⁸ through development and implementation of related policies. The Department will also engage provinces and territories to identify and pursue collaborative opportunities to provide science policy advice and frameworks in an effort to promote world-class excellence and to encourage business growth through innovation.

In 2012–13, Industry Canada will also continue to undertake research and provide advice on various issues, in particular: support for higher education R&D; commercialization of research and technology transfer in Canada; and the attraction and retention of world-class students and researchers. Science and technology advice will also include considerations for meeting Industry Canada's FSDS commitments.

Furthermore, the Department will support the Science, Technology and Innovation Council²⁹ (STIC), an external advisory body established under the S&T Strategy. By analyzing key areas of Canada's S&T and innovation landscape, Industry Canada will help support the STIC's delivery of informed policy advice. Industry Canada will also support the development of STIC's *State of the Nation 2012* report (to be published in the spring of 2013), which benchmarks Canada's S&T and innovation performance against international standards of excellence. The work of STIC contributes to government policy development and decision making.

These priorities will help improve Canada's performance in S&T and innovation.

Highlights of Challenges and Risk Areas

As all levels of government focus on balancing their budgets, it may be challenging to maintain current levels of investment in Higher Education Research and Development (HERD). Industry Canada will seek to sustain the competitiveness of programs designed to develop, attract and retain world-class students and researchers and continue to work with provincial governments and universities to provide scholarships to support innovation through R&D.

Program Activity: Information and Communication Technologies Research and Innovation

Program Description

Through the Communications Research Centre, this program conducts research on advanced telecommunications and information technologies to ensure an independent source of advice for public policy and to support the development of new products and services for the information and communication technologies (ICT) sector. Research projects involve a combination of in-house activities, tasks performed for other government departments on a cost-recovery basis, and partnerships with industrial and academic organizations. The research performed provides insight into future technologies, which assists Industry Canada in developing telecommunications policies, regulations and program delivery; improves other government departments' ICT-related decision making; and closes the innovation gap by transferring new technologies to Canadian industry.

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
36.6	36.7	36.6	369	337	337

A reduction in FTEs is due to a realignment of resources from operating to capital to address critical requirements for the replacement of scientific equipment and the maintenance of facilities, a result of the Strategic Review announced in Budget 2011.

Expected Results	Performance Indicators	Targets
Industry Canada policy-making and program development sectors are provided with the scientific information they need to make well-informed decisions on new communications technologies	Number of new and emerging communications technologies for which the Communications Research Centre Canada (CRC) has provided advice/input to Industry Canada for policy, standard and regulation development and for contributions to international forums (i.e., International Telecommunication Union)	10
Canadian government departments and agencies (National Defence, Canadian Radio-television and Telecommunications Commission, Canadian Space Agency) are provided with the information they need to make well-informed decisions on new communications technologies	Level of funding received from other federal government departments to conduct research and testing on communications technologies	\$7 million
Canadian telecommunications companies realize industrial and economic benefits from CRC intellectual property and technology transfer	Intellectual Property revenue and contracting-in money received by the CRC	\$2 million

Planning Highlights

Through the CRC, Industry Canada will assess research and develop technologies to improve the use and management of the radio spectrum to address wireless communication needs in the areas of defence, public safety and security. Specifically, Industry Canada will improve the technologies and tools for radio spectrum monitoring, performance and coverage analysis. Additionally, the Department will assess and analyze new and emerging communication technologies to understand their implications on Canada's digital communications infrastructure.

Industry Canada will help Canadian telecommunications companies realize industrial and economic benefits from CRC intellectual property and technology transfer by assessing, testing, analyzing and developing communication technologies and applications to support their adoption and use.

Highlights of Challenges and Risk areas

The CRC has, over the last two years, been refocusing its R&D activities and in 2012–13 will work with its major clients to ensure this is effectively implemented to produce relevant and effective research.

Program Activity: Industrial Research and Development Financing

Program Description

This program helps Canadian businesses increase research and development (R&D) activities by investing in innovative projects through such measures as repayable contributions. Agreements normally specify which funding will come from the federal government and which from other sources. Projects are chosen based on their ability to generate strategic R&D investment, develop new technologies, and maximize Canadian innovation capacity and expertise.

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
483.0	327.5	282.4	131	124	124

The planned spending for 2012–13 is higher than later years, partially due to \$200 million in additional resources that was announced in Budget 2009 for the Strategic Aerospace Defence Initiative over a four-year period from 2010–11 to 2013–14, to support investments in innovation. Planned spending in 2012–13 also includes \$108 million in funding for the Automotive Innovation Fund.

Expected Results	Performance Indicators	Targets
Investment in leading-edge R&D in targeted Canadian industries	Dollar value of disbursements to firms for R&D activities	\$370.25 million
	Dollar(s) of investment leveraged per dollar of Industry Canada investments in R&D projects	\$2.00

a Planning Highlights

Through strategic support of R&D projects, Industry Canada contributes to the advancement of Canada's innovation capacity and expertise to stimulate economic growth as well as job creation and retention in Canada.

In 2012–13, Industry Canada will continue to leverage private sector investment for leading-edge R&D in aerospace, defence, space and security industries through the Strategic Aerospace and Defence Initiative³⁰ (SADI) and enhance collaborations between the private sector and universities, colleges and research institutes. In keeping with the Department's commitment to the Federal Sustainable Development Strategy to reduce climate change and air pollution, companies seeking SADI funding are required to identify the potential benefits of their projects, some of which may include environmental benefits. For example, a project may result in fuel and energy efficiencies, which could contribute to reductions in air pollution and green house gas emissions.

Industry Canada will also manage the Aerospace Innovation Program to enhance the capacity for R&D of new technologies in the Canadian aerospace industry. Specifically, Industry Canada will manage partnerships with Canadian industry to facilitate innovation.

The Department will also continue to implement the Automotive Innovation Fund.³¹ The contribution agreements currently in place will focus on improving the Canadian automotive industry's capacity to develop innovative and more fuel efficient vehicles. The development of fuel efficient vehicles will also help Industry Canada meet its commitments to the Federal Sustainable Development Strategy.

These priorities will further investments by Canadian businesses in research and development thus improving Canada's innovation capacity and expertise.

Highlights of Challenges and Risk Areas

Economic uncertainty could result in a decrease in program uptake as firms may delay investments in R&D, thereby limiting the Government of Canada's ability to support competitiveness of a critical industry. As a result, the Department will be closely monitoring program performance and achievement of results.

Strategic Outcome 3: Canadian businesses and communities are competitive

Canadian firms are the primary sources of Canada's global competitiveness as they generate wealth, innovation, investment and employment. Industry Canada will maximize the benefit that Canadian firms bring to the economy by building and strengthening partnerships domestically and internationally, and supporting firms as they adopt new technologies to bring growth to their business.

As the current economic environment presents challenges with possible impacts on Canada's ability to attract foreign direct investment, Industry Canada will continue to support businesses and communities by capitalizing on existing partnerships with stakeholders and other government departments, and by enhancing the recognition of Canadian industrial capabilities. Specifically, the Department supports these objectives through the following program activities:

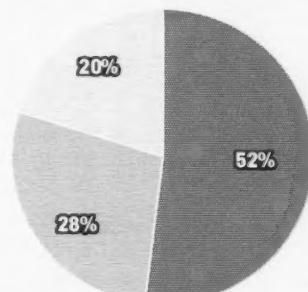
- Small Business Research, Advocacy and Services;
- Community Economic Development; and
- Industrial Competitiveness and Capacity.

The following key activities will support this strategic outcome:

- Increase small and medium-sized enterprises (SME) access to financing by implementing changes to, and by modernizing the Canada Small Business Financing Program³² (CSBFP);
- Reduce the burden, time and effort required by SMEs to find information on government services through the Canada Business Network³³ and BizPal³⁴;
- Implement Canada's Federal Tourism Strategy³⁵ a whole-of-government approach to enhance the federal government's role as an effective partner with industry and other levels of government in support of an internationally competitive tourism sector;
- Conduct research and analysis to develop a better understanding of trends and issues affecting the competitiveness of the aerospace, automotive, information and communications technologies, manufacturing, consumer products and life sciences industries in Canada;
- Collaborate with federal and provincial partners to promote growth in rural communities and northern Ontario.

By focusing on these activities in the coming years, Industry Canada will help support Canadian business competitiveness and productivity.

Breakdown of 2012–13 Planned Spending by Program Activity



- Small Business Research, Advocacy and Services
- Community Economic Development
- Industrial Competitiveness and Capacity

Year	Financial Resources (\$ millions)*	Human Resources (FTEs)**
2012–13	262.2	548
2013–14	233.5	509
2014–15	234.5	509

* For detailed variance explanations please see the spending by Program Activity that follows.

** Full time equivalents.

Program Activity: Small Business Research, Advocacy and Services

Program Description

The Department's work in this program area is aimed at enhancing the growth and competitiveness of small business and encouraging entrepreneurship. Through this program activity, Industry Canada raises awareness across government of the challenges facing small businesses; provides knowledge and expertise on small and medium-sized enterprises (SME) in a number of areas, including statistics, entrepreneurship, financing, innovation and growth firms; recommends policy options; delivers programs that help support SMEs and entrepreneurial activity across Canada; and provides advice and support related to the Business Development Bank of Canada.

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
136.0	128.5	129.8	140	140	140

Planned spending will reduce as \$10 million in funding to the Canadian Youth Business Foundation is currently scheduled to end in 2012–13. The slight increase in later years is due to a forecast increase of \$5.4 million in payments to lenders for claims under the *Canada Small Business Financing Act*, which is partially offset by the changes in funding of the Small Business Internship Program which is currently scheduled to sunset in 2013–14.

Expected Result	Performance Indicator	Target
New small and medium sized-enterprises are created	Number of small and medium-sized enterprise entries	10,000 (3-year rolling average)
Small and medium-sized enterprises are identified as growing	Percent of small and medium-sized enterprises that self-identify their business phase as growth	45 percent

Planning Highlights

Industry Canada raises awareness across government of the challenges facing small businesses and provides knowledge and expertise on SMEs. In 2012–13, Industry Canada will support SMEs through the Canada Small Business Financing Program³⁶ (CSBFP) and will continue its efforts to implement changes to improve and modernize the program, including implementation of an IT system, which permits lenders to transfer registration documents and fees electronically. Improving the program will allow SMEs to have access to financing, which they would not otherwise obtain, resulting in new and growing SMEs.

The Department will continue to reduce the burden, time and effort required by SMEs to find information on government services through the Canada Business Network³⁷ (CBN) and BizPal³⁸.

Industry Canada will also lead the legislative and policy work required to implement recommendations arising from the ten-year legislative review of the Business Development Bank of Canada.³⁹ These steps will encourage the growth of small businesses and increase competitiveness.

Finally, Industry Canada will collaborate with the Government of Ontario to align and provide business information services and strategies for Ontario SMEs as part of the CBN. The Department will further engage and broaden the partnership network to gather information at the firm level to inform policy development and decision making thus enhancing business growth.

Through these priorities, Industry Canada will enhance the growth and competitiveness of small businesses and encourage entrepreneurship.

Highlights of Challenges and Risk Areas

General economic conditions will challenge the CBN and BizPal⁴⁰ to effectively reach potential entrepreneurs, which could result in fewer new and growing businesses, adversely affecting economic activity in Canada. To counter, Industry Canada will prioritize its efforts in areas that promise to reach and engage the highest number of SMEs.

Program Activity: Industrial Competitiveness and Capacity

Program Description

This program focuses on helping Canadian industries to improve their industrial competitiveness and capacity for innovation and to adapt to the ever-changing economic landscape, including external shocks. To support industries, this program develops expertise on Canadian firms and sectors through research and analysis and engagement with associations, governments and leading firms; applies this expertise to develop and contribute to policy, legislation and regulations; collaborates with the private sector on industry development; attracts investment and promotes Canadian expertise; and invests in private sector initiatives that are aimed at maximizing productivity and facilitating access to capital.

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
53.1	37.5	37.5	282	245	245

Planned spending for 2012–13 includes \$12 million for the Structured Financing Facility Program, which terminates in March 2013 as the federal procurement of ships begins under the National Shipbuilding Procurement Strategy. Additional reductions, totalling approximately \$4.5 million by 2013–14, are due to a realignment of resources dedicated to developing industrial and related policy analyses, a result of the Strategic Review announced in Budget 2011, to allow the Department to focus on the delivery of strategic advice to government on business issues and emerging economic situations.

Expected Results	Performance Indicators	Targets
Canadian industries have the capacity to prepare for and respond to risks and opportunities in domestic and global markets.	Canada's ranking among G7 countries for "Value chain breadth" Canada's ranking among G7 countries for "Firm-level technology absorption"	6th 5th
Industry perspective is considered in policy, legislation, regulations and agreements.	Number of collaborative policy projects focused on industry competitiveness and adaptability	31

Planning Highlights

Industry Canada engages with associations, governments and leading firms to help Canadian industries become more innovative, enter into global value chains, strengthen partnerships both domestically and internationally, attract investment and promote Canadian expertise.

In 2012–13 Industry Canada, through the Joint Strike Fighter (JSF) program,⁴¹ will help Canadian industry pursue the economic opportunities associated with JSF production and sustainment by identifying and promoting Canadian industrial and technological strengths and capabilities. The Department will also disseminate information related to JSF production to Canadian industry to ensure Canadian suppliers take advantage of opportunities.

In order to influence policy formulation and business development, Industry Canada will conduct research and analysis to develop a better understanding of trends and issues affecting the competitiveness of the aerospace, automotive, information and communication technologies, consumer products and life sciences industries in Canada. This research will include work on cross-sectoral issues related to the future of advanced manufacturing.

By focusing on these priorities Industry Canada will strive to improve the industrial competitiveness of Canadian businesses.

Highlights of Challenges and Risk Areas

As the economy continues to respond to global events, the Department will need to be able to respond to demands that may arise in key sectors. The Department will be closely monitoring emerging events to quickly shift resources and key priorities as needed.

Program Activity: Community Economic Development

Program Description

This program advances the economic development of Northern Ontario communities in the same manner that regional development agencies support similar activities in other regions of Canada. Its main goal is to strengthen the Northern Ontario economy by providing financial support, through contribution agreements, for economic and community development projects led by the private, not-for-profit and public sectors. This program also helps to increase public access to the Internet, provide schools with greater access to computers, and improve information technology skills and learning in community groups and communities across Canada.

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
73.0	67.5	67.2	126	124	124

The reduced planned spending after 2012–13 reflects the changes in funding for the Computers for School (CFS)⁴² program which currently sunsets in March 2013.

Expected Results	Performance Indicators	Targets
Targeted businesses and organizations in northern Ontario create economic growth.	Number of northern Ontario businesses and organizations created, expanded or maintained	1445

Planning Highlights

Industry Canada supports communities and businesses to ensure that they are competitive. The Department has several initiatives planned for 2012–13 for improving the delivery of the Community Futures Program⁴³ the Northern Ontario Development Program⁴⁴ (NODP), and the Economic Development Initiative (EDI)⁴⁵.

A new Performance Measurement Strategy for both the Community Futures program and the NODP are being implemented to ensure that expected outcomes are achieved. Improved accuracy and reliability of performance management results will help FedNor manage the programs and maximize their impact on the ability of Northern Ontario businesses and communities to attract investors and create jobs.

FedNor will also continue to implement its Service Improvement Plan in Northern Ontario, while also reviewing the effectiveness of service improvement measures in decreasing project approval times. It will be coupled with increased use of technology to offer better access to clients and gain efficiencies in the business process.

In Northern Ontario, the Department will monitor and ensure the successful completion of EDI projects.

The Department will also improve partnerships in place with federal and provincial stakeholders to help increase the uptake of their program offerings by Northern Ontario SMEs and organizations. These efforts will make the NODP better able to leverage broader federal and provincial resources to strengthen rural northern Ontario business.

In addition, the Department will implement the new Computers for Schools⁴⁶ program inventory database, and respond to the program evaluation findings and recommendations.

These priorities will ensure that Canadian businesses and communities are competitive.

Highlights of Challenges and Risk Areas

The Broadband Canada program⁴⁷ aimed to provide broadband coverage to as many currently unserved and underserved households as possible. Industry Canada achieved the objectives of the Broadband Canada program by: selecting projects according to the principles of reaching as many households as possible with a robust level of service; maximizing federal investment and minimizing overbuild of existing infrastructure; and funding areas that will be served through other initiatives.

Program Activity: Internal Services

Program Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services, Public Policy Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Materiel acquisition services, and travel and other administrative services. Internal Services involve primarily only those activities and resources that apply across the Department, not those that are specific to a program.

Financial Resources (\$ millions)			Human Resources (FTEs)		
2012–13	2013–14	2014–15	2012–13	2013–14	2014–15
123.1	114.0	112.9	1,336	1,320	1,299

Under the Department's funding model, \$66 million or approximately 15 percent of its core budget has come from revenues generated by repayments received under former contribution programs. These revenues are declining due to decreasing sales of the products that were developed under these programs. This results in a projected decrease of \$13 million in 2013–14. While this portion of the operating budget supports activities across the department, it is all recorded against Internal Services to streamline administration. Additional reductions, totalling approximately \$1.6 million by 2013–14, are due to a streamlining of activities as a result of the Strategic Review announced in Budget 2011.

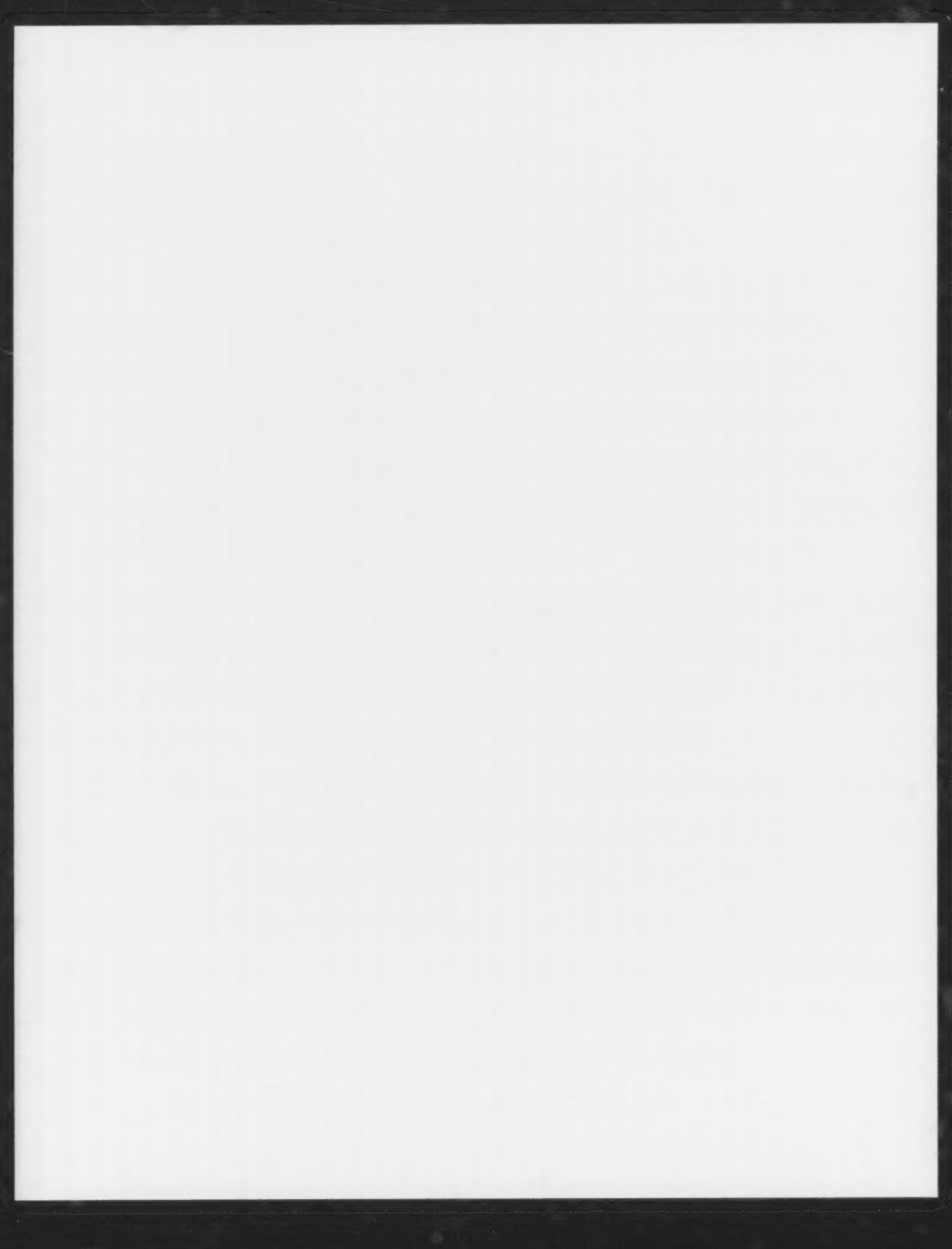
Planning Highlights

Industry Canada is recognized for the strength of its management systems and practices, and these will be important as internal services respond to significant changes in the Department's environment. Industry Canada will be looking to manage its program, operational and salary requirements while ensuring it maintains the processes, infrastructure and skilled workforce needed to deliver its mandate and implement government-wide management priorities.

As a participant in the FSDS, Industry Canada contributes to Greening Government Operations⁴⁸ targets through its Internal Services program activity. For additional details on Industry Canada's Greening Government Operations activities please see the online supplementary information tables.

Highlights of Challenges and Risk Areas

An expected reduction in hiring means the Department will match employee skills to the specific skill sets needed in areas requiring renewal to ensure it is able to effectively deliver on its mandate and priorities. In addition to stewardship practices to ensure effective management, the Department will focus on human resources planning to highlight opportunities for the development of existing employees.



Section III: Supplementary Information

Financial highlights

The future-oriented financial highlights presented within this *Report on Plans and Priorities* are intended to serve as a general overview of Industry Canada's financial position and operations. These future-oriented financial highlights are prepared on an accrual basis to strengthen accountability and improve transparency and financial management.

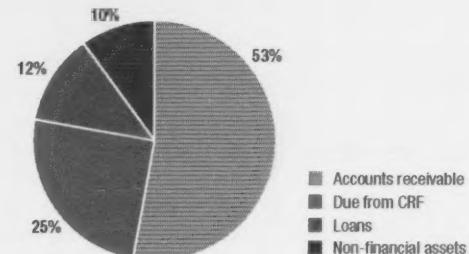
Future-oriented financial statements can be found on IC's website.

(in thousands of dollars)	% Change	Estimated Results 2011–12	Planned Results 2012–13
Condensed Future-oriented Statement of Financial Position (unaudited) At March 31			
Assets			
Financial Assets	2%	886,152	906,401
Non-Financial Assets	-3%	99,396	96,349
TOTAL	2%	985,548	1,002,750
Liabilities			
Accounts Payable and Accrued Liabilities	-22%	382,423	296,655
Deferred Revenue	-14%	3,249,112	2,780,731
Other Liabilities	1%	526,447	531,799
Total Liabilities	-13%	4,157,982	3,609,185
Equity	-18%	(3,172,434)	(2,606,435)
TOTAL	2%	985,548	1,002,750
Condensed Future-oriented Statement of Operations (unaudited)			
For the period ended March 31			
Expenses			
Transfer Payments	-27%	897,629	650,818
Operating Expenses	-5%	814,385	773,546
Total Expenses	-17%	1,712,014	1,424,364
Revenues			
Sales of Services	-5%	1,083,189	1,027,474
Other	-3%	24,396	23,609
Total Revenues	-5%	1,107,585	1,051,083
NET COST OF OPERATIONS	-38%	604,429	373,281

Assets by Type

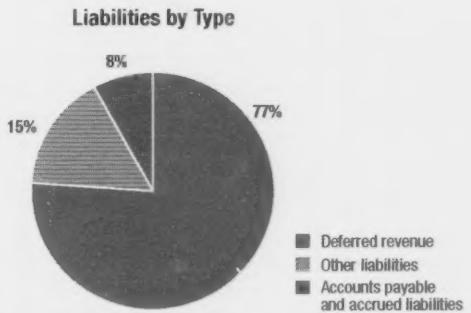
Total assets are projected to be approximately \$1 billion for fiscal year 2012–13. Industry Canada's loan account is expected to be approximately \$530 million and is expected to include new loan amounts paid through the Automotive Innovation Fund (AIF) and the Strategic Aerospace and Defence Initiative (SADI) programs. Due from CRF, the second largest asset represented at \$254 million, is a representation of Industry Canada's access to the Consolidated Revenue Fund to pay down its accounts payables and varies from year to year in relation to that account. Similarly, Accounts receivable, which has been forecasted to be \$125 million, is based on historical data and forecasted revenue for the year. The majority of Non-financial assets are tangible capital assets for which no substantial increases or decreases are expected. These projections include a reduction to net capital assets of approximately \$2 million transferred to Shared Services Canada.

Assets by Type



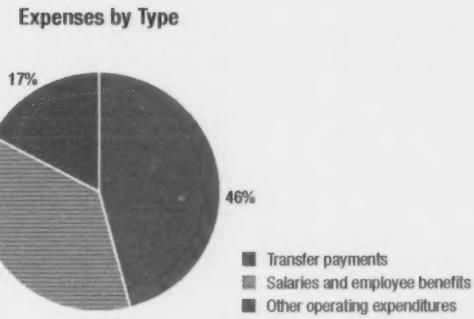
Liabilities by Type

Total liabilities are projected to be \$3.6 billion for fiscal year 2012–13. The forecasted deferred revenue is the largest liability on the Future-oriented Statement of Financial Position (77% or \$2.8 billion). This amount represents spectrum auction revenues that are deferred and recognized on a straight-line basis, with a significant portion resulting from the Advanced Wireless Services and Other Spectrum auction that was held during fiscal year 2008–09. Accounts payable and accrued liabilities are largely projected based on expense levels. Other liabilities consist of an allowance for loan guarantees (conservatively held at December 31, 2011 levels – \$397 million), special purpose accounts and allowances for vacation and severance pay; all projected based on low-level upward trends and historic rates with the exception of severance pay which has been adjusted to reflect recent payouts as a result of Public Service Alliance of Canada (PSAC) collective agreements.



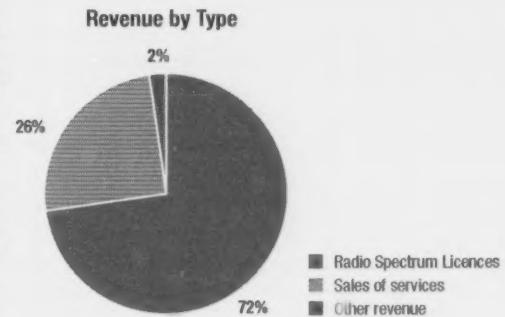
Expenses by Type

Total expenses are projected to be \$1.42 billion in fiscal year 2012–13. The majority of these expenses are in the form of transfer payments. The Economic Action Plan transfer payment programs will have completed making payments and the largest of those program expenditures, the Knowledge Infrastructure Program (approximately \$250 million in 2011–12), will result in a projected reduction to the levels of transfer payments for 2012–13. In addition, cost containment measures are reflected in the reduction to all operating expense categories, year-over-year, including salaries. The transfer of operations to the newly formed Shared Services Canada has also been reflected with a reduction to operating expenses.



Revenues by Type

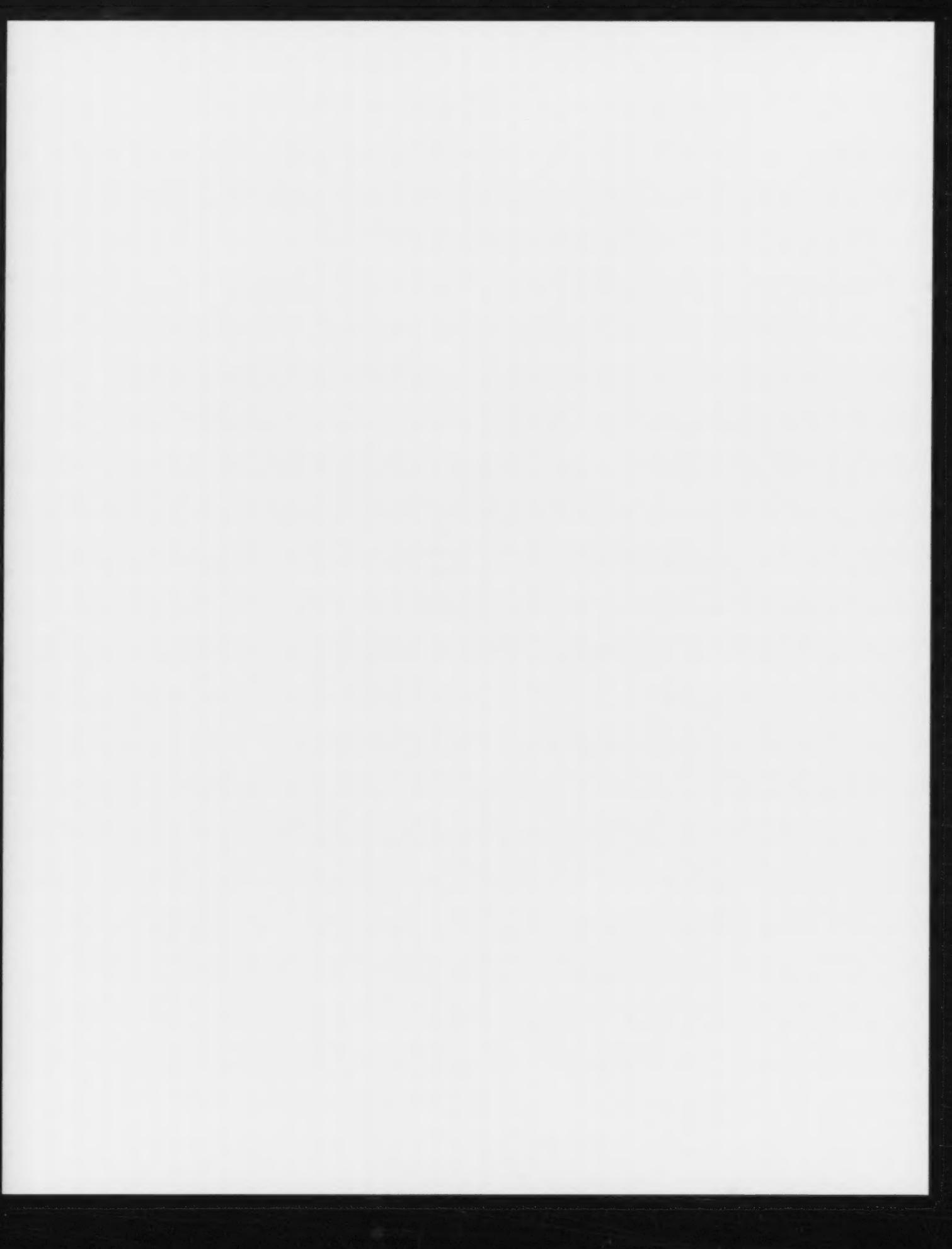
Total revenues are projected to be \$1.05 billion for fiscal year 2012–13. Radio spectrum licenses make up almost three-quarters of the projected revenue (\$750 million), which includes yearly license revenue as well as the recognition of deferred revenue sales of spectrum auction licenses. Other sales of services (\$278 million) includes various sources of revenue such as fees under Canada Small Business and Financing Program, Canadian Intellectual Property Office, and Office of the Superintendent of Bankruptcy, all of which have been projected to be consistent with prior year collections. Other revenues consist largely of fines from Competition Law Enforcement and Advocacy which are projected to be less than half that of the 2011–12 levels.



Supplementary information tables

The following tables are available on the Treasury Board of Canada Secretariat website:⁴⁰

- Details of Transfer Payment Programs
- Greening Government Operations
- Sources of Respondable and Non-Respondable Revenue
- Summary of Capital Spending by Program Activity
- Up-Front Multi-Year Funding
- Upcoming Internal Audits and Evaluations in the Next Three Fiscal Years
- User Fees



Section IV: Other Items of Interest

The following information is available online.

Expected results of program sub-activities by strategic outcome⁵⁰

The program sub-activities, including their expected results, performance indicators and targets, are presented by the strategic outcome to which they contribute.

- The Canadian marketplace is efficient and competitive;
- Advancements in science and technology, knowledge, and innovation strengthen the Canadian economy;
- Canadian businesses and communities are competitive.

 **Endnotes**

- 1 <http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=F93CD795-1>
- 2 http://www.ic.gc.ca/eic/site/ic1.nsf/eng/h_00018.html
- 3 Ibid.
- 4 <http://laws.justice.gc.ca/eng/l-9.2/index.html>
- 5 <http://www.digitaleconomy.gc.ca/eic/site/028.nsf/eng/home>
- 6 http://laws.justice.gc.ca/eng/AnnualStatutes/2011_3/page-1.html
- 7 <http://www.ic.gc.ca/eic/site/mc-mc.nsf/eng/lm04493.html>
- 8 <http://balancedcopyright.gc.ca/eic/site/crp-prda.nsf/eng/home>
- 9 <http://rd-review.ca/eic/site/033.nsf/eng/home>
- 10 <http://www.ic.gc.ca/eic/site/csbfp-pfpec.nsf/eng/Home>
- 11 http://www.tourism.gc.ca/eic/site/034.nsf/eng/h_00002.html
- 12 <http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=F93CD795-1>
- 13 <http://www.ic.gc.ca/>
- 14 <http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=F93CD795-1>
- 15 <http://www.digitaleconomy.gc.ca/eic/site/028.nsf/eng/Homehttp://de-en.gc.ca/home/>
- 16 http://laws.justice.gc.ca/eng/AnnualStatutes/2011_3/page-1.html
- 17 <http://www.ic.gc.ca/eic/site/mc-mc.nsf/eng/lm04493.html>
- 18 http://www.nuans.com/nuansinfo_en/home-accueil_en.htm
- 19 <http://www.digitaleconomy.gc.ca/eic/site/028.nsf/eng/Home>
- 20 <http://www.fightspam.gc.ca/>
- 21 http://www.ic.gc.ca/eic/site/oca-bc.nsf/eng/h_ca02216.html
- 22 <http://cmcweb.ca/eic/site/cmc-cmc.nsf/eng/home>
- 23 http://www.ic.gc.ca/eic/site/oca-bc.nsf/eng/h_ca00175.html
- 24 <http://fightspam.gc.ca/eic/site/030.nsf/eng/home>
- 25 http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/h_00128.html
- 26 <http://rd-review.ca/eic/site/033.nsf/eng/home>
- 27 http://ito.ic.gc.ca/eic/site/ito-oti.nsf/eng/h_00022.html
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- 30 http://ito.ic.gc.ca/eic/site/ito-oti.nsf/eng/h_00022.html
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- 33 <http://www.canadabusiness.ca/eng/>
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- 37 <http://www.canadabusiness.ca/eng/>
- 38 <http://www.bizpal.ca/en/>
- 39 http://www.parl.gc.ca/Content/SEN/Committee/403/bank/10eva-e.htm?comm_id=3&Language=E&Parl=40&Ses=3
- 40 <http://www.bizpal.ca/en/>
- 41 <http://www.ic.gc.ca/eic/site/ad-ad.nsf/eng/ad03863.html>
- 42 <http://www.ic.gc.ca/eic/site/cfs-ope.nsf/eng/home>
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- 44 http://fednor.gc.ca/eic/site/fednor-fednor.nsf/eng/h_fn02348.html
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- 48 <http://www.tpsgc-pwgsc.gc.ca/ecologisation-greening/index-eng.html>
- 49 <http://www.tbs-sct.gc.ca/rpp/2011-2012/index-eng.asp>
- 50 http://ic.gc.ca/eic/site/ic1.nsf/eng/h_07139.html